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UNCLAS SENSITIVE NICOSIA 00777

SIPDIS

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ACTION: DCM EXEC

INFO: ECON POL DAO RAO

DISSEMINATION: EXEC

CHARGE: PROG

APPROVED: AMB:RSCHLICHER

DRAFTED: POL:AMYIALLOUROU

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FM AMEMBASSY NICOSIA

TO RUEHC/SECSTATE WASHDC 8192

INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

RUCNDT/USMISSION USUN NEW YORK 0958

RUEHBS/USEU BRUSSELS

UNCLAS SECTION 01 OF 03 NICOSIA 000777

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E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [CY](#)

SUBJECT: TWO OF THE PRESIDENTIAL HOPEFULS OUTLINE THEIR CYPRUS
PROBLEM POLICY

1. (SBU) Summary: In televised press conferences on September 11 and 14, President Tassos Papadopoulos and Democratic Rally (DISY)-backed presidential candidate Ioannis Kasoulides outlined their Cyprus problem policy - the top issue of every national election campaign. Papadopoulos confirmed that his rejection of the 2004 Annan Plan will be the cornerstone of his campaign. Though he recognized that the "July 8 process" of 2006 is yet to take off, he insisted that it was the only way forward and squarely blamed the Turkish side for the lack of progress. In stark contrast, Kasoulides focused almost exclusively on the future and on what Cypriots should do to tackle the problem. He proposed upgrading and fast-tracking the UN-sponsored July 8 process in order to start comprehensive talks as soon as possible. Highlighting the need for unanimity among Greek Cypriot parties, he suggested that the National Council undertakes the task of formulating a commonly acceptable solution framework which would serve as the Greek Cypriot proposal at the intercommunal negotiations. End Summary.

Papadopoulos Promises No Change to his Cyprus Policy

2. A week after his meeting with Turkish Cypriot Mehmet Ali Talat, which failed to get the UN-brokered July 8 Agreement off the ground, President Papadopoulos told viewers during a televised press conference on September 11 that he intended to continue the same policy on the Cyprus issue. He stressed that he will insist on the implementation of the July 8 Agreement encouraged by the determination of the UN Security Council and other important countries to make this process work. He also revealed that he was "aware of initiatives already undertaken in this direction." He admitted that his September 5 meeting with the Turkish Cypriot leader did not yield a positive result but blamed this squarely on the Turkish Cypriot side's lack of political will to implement the July 8 Agreement. He quashed criticisms that his insistence on the "stalled" July 8 process prolonged the deadlock and essentially

consolidated the de facto partition of the island, saying that the international community does not favor partition but on the contrary strongly supports the July 8 process. He emphasized that the July 8 process was important because it was designed to bring about a new basis for a comprehensive Cyprus solution and thus cast away the Annan Plan. It is for this reason, he said, that Turkey and the Turkish side are doing all they can to get rid of the July 8 agreement. He lashed back at the opposition asking whether it would be wise to abandon a process that is strongly supported by at least four of the UNSC Permanent Members. He went on to charge that the fifth member, thought its representatives in Cyprus, argues that since the process has failed, it should be abandoned and replaced with a new one. A day later, the state-run Cyprus Broadcasting Corporation (CyBC), "disclosed" that it is Britain that was less than stalwart in its support of the July 8 process. Since this press episode, the British have made clear that HMG indeed does support July 8, but believes that the process is sufficiently flexible that both sides should be able to find a mutually-agreed way forward.

13. In an apparent attempt to draw from the 76 percent cent "no" vote pool, Papadopoulos repeatedly stressed the correctness of the decision to reject the Annan Plan. He asserted that "the worst has been avoided with the rejection of the Annan Plan" in April 2006 and "reminded" the electorate that acceptance would have resulted in the dissolution of the Cyprus Republic. He painted a rosy picture of the current state of the Cyprus issue claiming that he succeeded in overcoming prejudices against the Greek Cypriot side created internationally as a result of the rejection of the UNSYG's plan, and at the same time averted the Turkish plans of securing international recognition of the "pseudostate."

14. Responding to criticisms that the status of Turkish Cypriot leader Talat was improving as evidenced by his meetings with senior officials internationally, Papadopoulos angrily responded that Talat "never" received an official invitation nor had he any official meetings in a ministry or government office. He retorted that most of Talat's meetings take place in restaurants. The following days, opposition papers carried photographs of the Turkish Cypriot leader's meetings with Secretary of State Rice, President Musharraf of Pakistan, and EU Enlargement Commissioner Olli Rehn.

15. In a statement that caused a sensation as it is out of his character to admit a mistake, Papadopoulos said that he regretted accepting the UNSYG's arbitration on the Annan Plan in February 2004. He was quick to shift blame, though, saying that the UNSYG did not honor the three conditions that Papadopoulos had put forward and the UN official had accepted in writing. He commented with a sigh "I guess the UN is not what it used to be." Papadopoulos also charged that past concessions made by President Vassiliou and President Clerides to the Turkish demand that a solution be approved in a referendum left him with no choice but to put the plan to a referendum. Explaining the reason he disagrees with the holding of a referendum, he said this was an issue of fundamental importance because a referendum is a system of establishing a new state. Without a referendum, a solution would constitute an evolution of the existing state, he said.

16. Asked to clarify his position on a bizonal, bicommunal federation, Papadopoulos said that he is committed to this form of a solution but added that there is a disagreement on the interpretation of the term bizonal. He said this term does not exist legally and went on to say that the Greek Cypriot side does not accept that the term bizonal means the creation of two ethnically-pure areas. His remarks disturbed Papadopoulos' former coalition partner AKEL, which warned that Papadopoulos risked damaging the Greek Cypriot side's credibility by casting doubt over its commitment to a bizonal, bicommunal federation.

Kasoulides Advocates Pro-active Cyprus Policy

17. DISY-backed, independent presidential candidate Kasoulides analyzed in a press conference on September 14 his proposal for breaking the current deadlock and opening the way for a comprehensive Cyprus settlement. Emphasizing the need for practical ways to promote unanimity among the Greek Cypriot parties, he

proposed an intra-Greek Cypriot process to formulate a widely acceptable solution framework which he dubbed "National Agreement on a Solution Framework". At the same time, he stressed the importance of injecting new life in the July 8 Agreement by simplifying, upgrading and speeding up its implementation, in order to allow the start of comprehensive talks.

¶18. Elaborating on his proposal for an intra-Greek Cypriot agreement, Kasoulides said that if elected he would appoint for this purpose a team of prestigious constitutional and international law experts and economists who would work under his political supervision and within a fixed timetable. He envisaged an agreement based on the following: 1) the 1977 Makarios-Denktash, 1979 Kyprianou-Denktash, and July 8, 2006 Papadopoulos-Talat agreement; 2) the positive elements of the various UN proposals of the past; 3) UNSC decisions; and 4) experiences gathered from federal systems in other parts of Europe and the rest of the world. The product of their work would then be discussed at the National Council to be turned into a "national agreement" and eventually presented as the Greek Cypriot position at the intercommunal negotiations.

¶19. To make his Cyprus solution proposal a success story, Kasoulides said it should be supported by the four pillars, which are the basic planks of his platform: unity of the people which could be achieved by turning the "yes" and "no" of the past to "together"; restoration of Cyprus' credibility abroad and establishment of the Cyprus problem as a problem of occupation of EU territory; "correct" utilization of Turkey's relations with the European Union and its desires for accession by engaging the EU in the effort for a Cyprus solution; and the immediate pursuit of a Cyprus-origin solution plan that would result from substantive negotiations with the Turkish Cypriot side on the basis of the "National Agreement on a Solution Framework."

¶10. Kasoulides stated that he intended to involve Greece in the efforts for a solution and would also seek powerful international and European guarantees for the implementation of a Cyprus solution without any deviations. He stressed that the agreement should provide for mechanisms that would guarantee the return to the current status should Turkey fail to meet its obligations emanating from the solution.

¶11. Predictably, Kasoulides's proposal was quickly dismissed by his opponents. GOC spokesman Vassilis Palmas described it as "vague to the point that it sounds like an oracle" and pointed out that a Cyprus solution remains elusive due to Turkey's refusal to cooperate. AKEL reacted even more strongly branding his proposal as dangerous and potentially catastrophic. AKEL spokesman Nicos Katsourides said the process proposed by Kasoulides could have grave consequences since it constituted a deviation from the UN framework and marginalized the role of the UN but also of Russia and China which played a crucial role in the UNSYC in favor of the ROC.

Comment

¶12. As expected, in this first presentation of their Cyprus problem positions, Papadopoulos and Kasoulides tried to pull the electorate in exact opposite directions: the former to pin them down to the past and the latter to force them to peek into their future. The state of the Cyprus issue in the months leading up to the February 2008 elections will be an important factor in vindicating each candidate's positions and determining people's choice. The lack of progress towards a solution, coupled with developments in northern Cyprus and in the EU perceived by Greek Cypriots as actions consolidating the partition of the island, favor to some extent Papadopoulos' two main opponents.